

AGENDA REPORT

OVERSIGHT BOARD FOR THE CITY OF MAYWOOD
AS SUCCESSOR AGENCY OF THE MAYWOOD
COMMUNITY REDEVELOPMENT AGENCY

DATE: JANUARY 9, 2013

TO: HONORABLE CHAIR AND MEMBERS OF THE OVERSIGHT BOARD

FROM: ANDRE DUPRET, PROJECT MANAGER

SUBJECT: CONSIDERATION OF A RESOLUTION BY THE MAYWOOD OVERSIGHT BOARD REVIEWING AND APPROVING A DUE DILIGENCE REVIEW OF NON-LMIHF ACCOUNTS AND AUTHORIZING THE SUCCESSOR AGENCY TO TRANSMIT THE DUE DILIGENCE REVIEW TO THE STATE OF CALIFORNIA DEPARTMENT OF FINANCE AND OTHER REQUIRED GOVERNMENTAL ENTITIES PURSUANT TO HEALTH AND SAFETY CODE 34179.5 ET. SEQ.

RECOMMENDATION

That the Maywood Oversight Board consider approval of a Due Diligence Review ("DDR") of Non-Low and Moderate Income Housing Fund ("LMIHF") accounts and adopt a resolution authorizing the City of Maywood Successor Agency staff to transmit the DDR to the State of California Department of Finance ("DOF") and other required governmental entities pursuant to Health and Safety Code Section 34179.5 et. seq.

FISCAL IMPACT

Based on the DDR prepared by the auditor, the balance held in the Maywood Successor Agencies non-LMIHF account is in the amount of \$4,808 which must be remitted to the County of Los Angeles to be distributed to the other taxing entities.

BACKGROUND

An independent audit was conducted pursuant to Health and Safety Code Section 34179.5 to determine the unobligated balances available in the Maywood Successor Agencies accounts for transfer to affected taxing entities. The DDR is attached hereto for the Maywood Oversight Board's review and approval.

DISCUSSION

Due Diligence Review Procedure

Under Health and Safety Code Section 34179.5 et. seq., an audit, or DDR, of all Successor Agency balances is required. The DDR is conducted in two parts. First, a review of the LMIHF was completed and submitted to the Successor Agency for review and transmittal to the Oversight Board on or about October 1, 2012.

Thereafter, a DDR of all other accounts was performed following the same procedure set forth above. At the December 12, 2012 meeting, the DDR was submitted to the Oversight Board for its initial review and to receive any public comments. The public comment period must run for a minimum of five consecutive days. Having completed the public comment period, the DDR is being submitted to the Oversight Board again for approval and authorization to transmit the DDR to the DOF.

Independent Audit Conducted to Make These Findings

The Due Diligence Review ("DDR") of other non-LMIHF accounts was an independent audit by the public accounting firm Moss Levy & Hartzheim ("Auditor")¹ based upon procedures developed by the Certified Public Accountant Society, the State of California Controller's Office and the DOF.

The Auditor performed the DDR procedures solely to assist in ensuring that the Successor Agency of the Redevelopment Agency of the City of Maywood complied with its statutory requirements with respect to AB 1484.

The results of the DDR finds that the Successor Agency must remit a total of \$4,808 in non-LMHIF funds to the County of Los Angeles Auditor-Controller for disbursement to other taxing entities.

Conclusion

In conclusion, the Due Diligence Review was performed by an independent auditor pursuant to procedures set forth by the State of California Department of Finance.

The Due Diligence Review findings should be remitted to the County of Los Angeles for disbursement to the other taxing entities.

No public comments were received during the minimum five-day public comment period.

Thus, the Successor Agency respectfully requests the Maywood Oversight Board approve the Due Diligence Review and authorize Successor Agency staff to transmit the document to the State of California Department of Finance and other required

¹ The Auditor has no previous affiliation to the Maywood Successor Agency or the former redevelopment agency prior to the audits conducted pursuant to ABx1 26.

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governmental entities pursuant to Health and Safety Code Section 34179.5 et. seq. by the deadline of January 15, 2013.

Attachments: 1) Resolution
2) Due Diligence Review

ATTACHMENT 1
Resolution

ATTCHMENT 2
Due Diligence Review